

GENERAL LAWS OF MASSACHUSETTS

PART I. ADMINISTRATION OF THE GOVERNMENT

TITLE XXII. CORPORATIONS

CHAPTER 175. INSURANCE

POWERS AND DUTIES OF COMMISSIONER OF INSURANCE

Chapter 175: Section 4A. Provision of data to commissioner by homeowners insurers and joint underwriting association; access to confidential data; annual report to general court

Section 4A. As of July first, nineteen hundred and ninety-six, and annually thereafter, each admitted insurer writing homeowners insurance in the commonwealth, in accordance with the provisions of section four, and the joint underwriting association, formed pursuant to the provisions of chapter one hundred and seventy-five C shall furnish for examination and inspection by the commissioner of insurance, in accordance with section five of chapter one hundred and seventy-five C, for the owners, tenants and condominium, separately, forms of homeowners insurance written since January first, nineteen hundred and ninety-four, by standard statistical territories approved by the commissioner, a statistical report of its homeowners insurance experience showing the following data: written premiums; earned premiums; incurred losses, including loss adjustment expenses; loss ratio; number of incurred claims; and number of exposures.

As of July first, nineteen hundred and ninety-seven, or such later reasonable date as the commissioner may order after a hearing, but not later than July first, nineteen hundred and ninety-eight, the twenty-five admitted insurers with the largest homeowners market share in the commonwealth and the joint underwriting association, formed pursuant to the provisions of chapter one hundred and seventy-five C, shall furnish such data as provided in the preceding paragraph on the basis of the postal zip codes of credit-eligible territories, under the plan authorized by section four of chapter one hundred and seventy-five C, of all other postal zip codes in the city of Boston and such other postal zip codes as may be designated by the commissioner.

All data reports shall be formatted and produced in accordance with the National Association of Insurance Commissioners statistical handbook. Compliance with the requirements of this section shall be effected through statistical agents approved by the commissioner to act on behalf of the reporting insurers. In setting the effective date for data reporting in accordance with the preceding paragraph, the commissioner shall consider the practical ability of each statistical agent to so collect and report such data with an acceptable level of statistical credibility.

Access to such confidential data shall be granted by the commissioner to the attorney general, to the extent he so requests, for law enforcement purposes, and to the chairmen of the joint committee on insurance; provided, however, that the attorney general and the chairmen of the joint committee on insurance shall hold and keep such data confidential. All information reported pursuant to this section shall be given confidential treatment and shall not be subject to subpoena and shall not be made public by the commissioner, attorney general, chairmen of the joint committee on insurance, or any other person, without the prior written consent of the insurer to which it pertains, except by the insurer; provided, however, that if the commissioner, after giving the insurer and its affiliates who would be affected thereby, as well as the person or organization making the request, notice and the opportunity to be heard, determines that the interests of policyholders, shareholders or the public will be served by the publication thereof. In the event that the commissioner determines that such publication is appropriate, he may publish all or part of such data in such manner as he deems appropriate. Such hearing shall be held according to the adjudicatory procedures in chapter thirty A of the General Laws.

As of October first, nineteen hundred and ninety-six, and annually thereafter, the commissioner shall report to the general court concerning the current state of the homeowners insurance market in the commonwealth, both voluntary and residual market, and the conclusions reached by the commissioner based upon his most recent examination and inspection of the industry premium and loss data. Each such annual report shall be filed with the clerks of the senate and house of representatives who shall forward the same to the joint committee on insurance, the house and senate committees on ways and means and the attorney general. Such report shall be made available to the public by the commissioner. Said report shall summarize on an aggregate industry basis, by standard statistical territory and, when available, by zip code, broken down between voluntary and residual markets, the data concerning premiums and losses on homeowners insurance disclosed by the reporting insurers. Further, said report shall substantively analyze: the causes of loss and any trends discerned from the data by the commissioner; the respective market shares and levels of rate subsidies of the residual market policies written by the joint underwriting association, formed pursuant to the provisions of chapter one hundred and seventy-five C, compared to the voluntary homeowners insurance market; the availability and affordability of homeowners insurance in those territories whose association market share equals or exceeds four percent, with particular attention to credit-eligible territories; and the impact of such rate subsidies of the residual market policies written by said association upon the availability of homeowners insurance in the voluntary insurance market.

Each such annual report shall further examine the availability of homeowners insurance through the admitted insurers and the joint underwriting association, formed pursuant to the provisions of chapter one hundred and seventy-five C, in coastal municipalities, as well as the extent to which direct losses to residences caused by wind affect such availability. Said report may also contain any recommendations of the commissioner concerning legislation or other suggestions relative to the homeowners insurance market, loss control or disaster mitigation in the commonwealth.

Premium, loss and other data of individual insurers collected and examined by the commissioner shall not be specifically identified in said report; provided however that the commissioner shall, in an appendix, profile, separately for the twenty-five admitted insurers with the largest homeowners market share in the commonwealth based upon statewide written premium and, for the joint underwriting association, formed pursuant to the provisions of chapter one hundred and seventy-five C, the gross number of exposures, cancellations and non-renewals that each insured under homeowners insurance forms during the relevant time period covered by the data examined and inspected by the commissioner, in each such postal zip code or standard statistical territory for which data was collected and examined by the commissioner pursuant to this section. The commissioner's report shall also include an appendix which tabulates the industry aggregate number of homeowners policy non-renewals and cancellations effected during such relevant time period as reported to the commissioner pursuant to the provisions of section four B of chapter one hundred and seventy-five.